



(H) Payment Options

After the first Interest Rate Change Date, Lender may provide me with up to three (3) additional payment options that are greater than the Minimum Payment, which are called "Payment Options." I may be given the following Payment Options:

(i) Interest Only Payment: the amount that would pay the interest portion of the monthly payment at the current interest rate. The Principal balance will not be decreased by this Payment Option and it is only available if the interest portion exceeds the Minimum Payment.

(ii) Fully Amortized Payment: the amount necessary to pay the loan off (Principal and interest) at the Maturity Date in substantially equal payments.

(iii) 15 Year Amortized Payment: the amount necessary to pay the loan off (Principal and interest) within a fifteen (15) year term from the first payment due date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

These Payment Options are only applicable if they are greater than the Minimum Payment.

4. NOTICE OF CHANGES

The Note Holder will deliver or mail to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the date and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. If I make a partial Prepayment, there will be changes in the due dates of my monthly payments. My partial Prepayment may reduce the amount of my monthly payments after the next Payment Change Date following my partial Prepayment. However, any reduction due to my partial Prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me that exceed the permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments: If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.0000 % of my overdue payment of Principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default: If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder will require me to pay immediately the full amount of Principal that has not been paid and all the interest that I owe on that amount. The date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

EXHIBIT ITEM

Page 3 of 5

JFES125K (01/05)

0000386263

0000386263

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Unless the Note Holder requires a different method, any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address listed in Section 3(A) above or at a different address if I am given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all the promises made in this Note, including this promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all the amounts owed under this Note.

10. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. SECURED NOTE

In addition to the provisions given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from the loss of its security. The Security Instrument describes how and under what conditions the Note Holder might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions the Note Holder is required to make immediate payment in full of all amounts I owe under this Note. Some of these conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18,

"Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower cures to be submitted to Lender information required by Lender to evaluate the proposed transfer as if a new loan were being made to the transferee; and (b) Lender reasonably determines that the transferee's creditworthiness is acceptable and that the risk of a breach of any covenants in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption and may require the transferee to sign an assumption agreement that is acceptable to Lender and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

EXHIBIT ITEM

Page 4 of 5

JFES125K (01/05)

0000386263

0000386263

SEE PREPAYMENT ATTACHED HERETO AND MAKE A PAY HEREOF

WITNESS THE HANDS AND SEALS OF THE UNDERSIGNED.

  
NANCY JENSEN

(Seal)  
Borrower

(Seal)  
Borrower

  
SCOTT JENSEN

(Seal)  
Borrower

(Seal)  
Borrower


(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

**PAY to the order of**

Without recourse  
SIERRA PACIFIC MORTGAGE COMPANY, INC.,  
A CALIFORNIA CORPORATION  
  
Michaela Brinkman, Assistant Secretary

(Sign Original Only)

JPM1212M (01/00)

FIRST LIEN  
Page 5 of 5

0000386263

# PREPAYMENT NOTE ADDENDUM

(Multistate - Hard)

## NOTICE TO BORROWER

Do not sign this loan agreement before you read it. The loan agreement provides for the payment of a certain amount of money to you prior to the date provided for repayment in the loan agreement.

THIS PREPAYMENT NOTE ADDENDUM ("Addendum") is made this 12TH day of MAY, 2006, and is incorporated into and shall be deemed to amend and supplement the Note made by the undersigned ("Borrower") to SIERRA PACIFIC MORTGAGE COMPANY, INC.

("Lender") and dated the same date as this Addendum (the "Note").

ADDITIONAL COVENANTS: In addition to the covenants and agreements in the Note, Borrower and Lender further covenant and agree as follows:

### A. PREPAYMENT CHARGE

The Section of the Note entitled "BORROWER'S RIGHT TO PREPAY" is amended to read as follows:

### PREPAYMENT CHARGE

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment". A Prepayment of all of the unpaid principal is known as a "full prepayment". A Prepayment of only part of the unpaid principal is known as a "partial prepayment". When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

Except as provided below, I may make a full prepayment or a partial prepayment at any time without paying a Prepayment charge. If within a 36 MONTH period of the date of this Note ("Prepayment Period"), I make a full or partial Prepayment(s) of more than twenty percent (20%) of the original principal amount in a twelve month period, I will pay a prepayment charge. The prepayment charge will be an amount equal to the payment of six (6) months' advance interest (at the rate in effect at the time the Prepayment occurs) on any Prepayment that, when added to all other amounts prepaid during the twelve month period immediately preceding the date of the Prepayment exceeds twenty percent (20%) of the original principal amount of the Note.

The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to these changes.

If my loan has an "interest-only period", my partial Prepayment during this period will reduce the amount of my monthly payments for the remainder of the "interest-only period".

If my loan has an adjustable rate feature, my partial Prepayment may reduce the amount of my monthly payments after the first Change Date following a partial Prepayment. However, any reduction due to a partial Prepayment may be offset by an interest rate increase.

The Note Holder's failure to collect a Prepayment charge at the time a Prepayment is received shall not be deemed a waiver of such charge. Any Prepayment charge not collected at the time the Prepayment is received shall be due and payable on demand.

FIRST LIEN

0000386263

Multistate/Florida max. interest if > 20% of face amount  
PREPAYIN (01/00)

Page 1 of 2




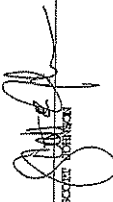
**E. INVALIDITY**

If a law, which applies in this loan and which sets a maximum Prepayment charge or prohibits Prepayment charges, is finally interpreted so that the Prepayment charge to be collected in connection with this loan exceeds the permitted limits, then (i) any such Prepayment charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, or (ii) if the Prepayment charge is prohibited, no Prepayment charge will be assessed or collected.

**C. CONTROLLING PROVISIONS**

To the extent that the provisions of this Addendum are inconsistent with the provisions of the Note and/or the Security Instrument, the provisions of this Addendum shall prevail over and shall supersede any such inconsistent provisions of the Note and/or the Security Instrument. All other provisions of the Note and/or the Security Instrument shall be unchanged and remain in full force and effect.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Prepayment Note Addendum.

 KAREN M. HANSON	 SCOTT VERHEUL
(Seal) -Borrower	(Seal) -Borrower
_____	_____
(Seal) -Borrower	(Seal) -Borrower
_____	_____
(Seal) -Borrower	(Seal) -Borrower
_____	_____
(Seal) -Borrower	(Seal) -Borrower
_____	_____

*(Sign Original Only)*

Recording Request by  
SIERRA PACIFIC MORTGAGE  
50 Iron Point Cir., Ste. 100  
Folsom, CA 95630

And when recorded mail to:  
SIERRA PACIFIC MORTGAGE COMPANY  
50 Iron Point Cir., Ste. 200  
Folsom, CA 95630

Assessor's Parcel Identification Number: 07900961

Document Title: **DEED OF TRUST**

This document to be re-recorded to reflect the correct  
ADJUSTABLE RATE RIDER on Deed of Trust, previously  
recorded on May 19, 2006, as instrument # D206151786

0800396263

FIRST LEND

Page 2 of 2

JOBREMAN (0808)

Return To:  
SIERRA PACIFIC MORTGAGE COMPANY, INC.  
50 IRON POINT CIRCLE, SUITE 200  
FOLSOM, CA 95630

Prepared By:  
DENNIS P. SCHWARTZ  
SCHWARTZ & ASSOCIATES  
1446 HERITAGE DRIVE  
MC KINNEY, TEXAS 75069  
972-562-1966

(Sign Above This Line For Recording Date)

## DEED OF TRUST

MIN 100703000386263-5

386263  
J 06 20 06

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) "Security Instrument" means this document, which is dated MAY 12, 2006 , together with all Riders to this document.

(B) "Borrower" is

**MURRAY JOHNSON AND SCOTT JOHNSON, WIFE AND HUSBAND**

Borrower is the grantor under this Security Instrument.

(C) "Lender" is

**SIERRA PACIFIC MORTGAGE COMPANY, INC.**

Lender is a CORPORATION

organized and existing under the laws of THE STATE OF CALIFORNIA

Lender's address is

**50 IRON POINT CIRCLE, SUITE 200, FOLSOM, CA 95630**

Lender includes any holder of the Note who is entitled to receive payments under the Note.

TEXAS Single Family/Farm/Multi-Family Max. Uniform Instrument With MERS  
Form 3044 1/01  
MERS Mortgage System, Inc. (2001) 1/15/01  
Page 1 of 16

0000386263

0000386263

(D) "Trustee" is  
**DENNIS P. SCHWARTZ**  
Trustee's address is

**1446 HERITAGE DRIVE, MC KINNEY, TX 75069**  
(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is a beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 678-MERS.  
(F) "Note" means the promissory note signed by Borrower and dated MAY 12, 2006  
The Note states that Borrower owes Lender

**ONE MILLION TWO HUNDRED FORTY FOUR THOUSAND SIX HUNDRED & NO/100**  
**Dollars (U.S. \$1,244,600.00)** plus interest. Borrower has promised to pay this debt in regular periodic payments and to pay the debt in full not later than **JUNE 01, 2036**

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charge and late charges provided for under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower (check box(es) as applicable):

☒ Adjustable Rate Rider ☐ Condominium Rider ☐ Second Home Rider

☐ Balloon Rider ☐ Planned Unit Development Rider ☐ 1-4 Family Rider

☐ VA Rider ☐ Biweekly Payment Rider

☒ Other(s) (specify) **PREPAYMENT RIDER & FEDERAL AND EXTENSION EXEMPT**

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, nonappealable judicial opinions.

(K) "Condominium" means a unit in a condominium project, including any interest in the project, and any charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Excess Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 3) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value under condition of the Property.

0000386263

Page 4 of 16

0000386263

Form 3044 1/01

(C) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(D) "Periodic Payment" means the regularity scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 2 of this Security Instrument.

(E) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(F) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (a) the repayment of the Loan, and all interest, late charges, and modifications of the Note; and (b) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants to MERS, as Trustee, in trust, with power of sale, the following described property located in the County of TARRANT, Texas:

[Name of Recording Jurisdiction]

LOT 1, BLOCK 1, OF JERSON ADDITION, IN ADDITION TO THE CITY OF GREENVIEW, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR MAP THEREOF RECORDED IN CHAPTER A, SLIDE 7016, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

Parcel ID Number:

07900961

which currently has the address of

2401 DAVIS ROAD

GREENVIEW

[City], Texas 76051

[Zip Code]

[Property Address]

[Signed]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all

accessions, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to as this

Page 3 of 18

Page 4 of 18

0000386263

Form 3044 10/01

Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property, and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except as to any demand, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

#### UNIFORM COVENANTS

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow items and taxes and assessments levied on the Property under the Note and this Security Instrument shall be made in U.S. currency. However, if any check is tendered to Lender, it shall be subject to the terms of the Security Instrument. Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check; bank check; treasurer's check or federal agency instrumentally money order; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current. Lender may accept any payment or partial payment notwithstanding the fact that the payment or partial payment is not sufficient to bring the Loan current. Lender is not obligated to apply such payments in the future, but Lender is not obligated to apply such payments in the future. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unpaid funds. Lender may hold such unpaid funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds to the principal balance of the Loan or return them to Borrower. Lender shall not be obligated to apply such funds to the principal balance of the Loan until the date the funds are received by Lender. Lender may, at its option, apply such funds to the principal balance of the Loan immediately prior to the date the funds are received by Lender. Lender may, at its option, apply such funds to the principal balance of the Loan immediately prior to the date the funds are received by Lender. Lender may, at its option, apply such funds to the principal balance of the Loan immediately prior to the date the funds are received by Lender. Lender may, at its option, apply such funds to the principal balance of the Loan immediately prior to the date the funds are received by Lender.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments received and applied by Lender to the Loan shall be applied in the following order: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3.1; (d) amounts due under the Note; (e) amounts due under the Note; (f) amounts due under the Note; (g) amounts due under the Note; (h) amounts due under the Note; (i) amounts due under the Note; (j) amounts due under the Note; (k) amounts due under the Note; (l) amounts due under the Note; (m) amounts due under the Note; (n) amounts due under the Note; (o) amounts due under the Note; (p) amounts due under the Note; (q) amounts due under the Note; (r) amounts due under the Note; (s) amounts due under the Note; (t) amounts due under the Note; (u) amounts due under the Note; (v) amounts due under the Note; (w) amounts due under the Note; (x) amounts due under the Note; (y) amounts due under the Note; (z) amounts due under the Note.

If Lender receives a payment or proceeds for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment shall be applied to the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any late charges due, then to any delinquent Periodic Payments, then to any other amounts due under the Note. Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

Page 4 of 18

0000386263

Form 3044 10/01







(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1988 or any other law. These rights may include the right to request and obtain cancellation of the Mortgage Insurance, to request and obtain a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds, Forfeiture. All Miscellaneous Proceeds are hereby assigned to Lender. Lender shall be entitled to the proceeds of any action or proceeding, whether civil or criminal, in which the Property is involved, including but not limited to, the proceeds of any action or proceeding to enforce the Property. If the restoration or repair is economically feasible, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the work in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement in writing is entered into between Lender and Borrower, the amount of the work to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any amount of the work to be paid on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be impaired, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, applied in the order provided for in Section 18. If any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the event of a final taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a final taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the work in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement in writing is entered into between Lender and Borrower, the amount of the work to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any amount of the work to be paid on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be impaired, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, applied in the order provided for in Section 18. If any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the event of a final taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or delivery of any sum secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not be deemed to constitute a release of the Property or any Successor in Interest of Borrower. Lender shall not be required to commence proceedings for the enforcement of the sums secured by this Security Instrument by reason of any demand made by the original or any Successor in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy shall not constitute a release of the Property or any Successor in Interest of Borrower, nor shall it preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument shall not be deemed to be a co-signer. (a) Co-signing this Security Instrument only to mortgage, grant and convey the sums secured by this Security Instrument; and (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, further or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall assume all of Borrower's obligations and liabilities under this Security Instrument. Borrower shall not be released from Borrower's obligations and liabilities under this Security Instrument unless Lender agrees to such release in writing. Section 20) and benefit the Successors and Assigns of this Security Instrument.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees, for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower, and for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower, and for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the permitted limits; and (b) any such loan charge already collected from Borrower which exceeded permitted limits shall be refunded to Borrower. Lender shall not be required to refund any such amount if the loan charges were collected in accordance with the law in effect at the time the loan charges were collected.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address. If sent by other means, notice to any one Borrower shall constitute notice to all Borrowers unless Borrower has designated a substitute notice address. If the notice address shall be the Property Address, Lender shall be deemed to have given notice to all Borrowers. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address.

There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated on the last page of this Security Instrument. Notices given by mail to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or delivery of any sum secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not be deemed to constitute a release of the Property or any Successor in Interest of Borrower. Lender shall not be required to commence proceedings for the enforcement of the sums secured by this Security Instrument by reason of any demand made by the original or any Successor in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy shall not constitute a release of the Property or any Successor in Interest of Borrower, nor shall it preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument shall not be deemed to be a co-signer. (a) Co-signing this Security Instrument only to mortgage, grant and convey the sums secured by this Security Instrument; and (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, further or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall assume all of Borrower's obligations and liabilities under this Security Instrument. Borrower shall not be released from Borrower's obligations and liabilities under this Security Instrument unless Lender agrees to such release in writing. Section 20) and benefit the Successors and Assigns of this Security Instrument.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees, for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower, and for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the permitted limits; and (b) any such loan charge already collected from Borrower which exceeded permitted limits shall be refunded to Borrower. Lender shall not be required to refund any such amount if the loan charges were collected in accordance with the law in effect at the time the loan charges were collected.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address. If sent by other means, notice to any one Borrower shall constitute notice to all Borrowers unless Borrower has designated a substitute notice address. If the notice address shall be the Property Address, Lender shall be deemed to have given notice to all Borrowers. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address.

There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated on the last page of this Security Instrument. Notices given by mail to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or delivery of any sum secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not be deemed to constitute a release of the Property or any Successor in Interest of Borrower. Lender shall not be required to commence proceedings for the enforcement of the sums secured by this Security Instrument by reason of any demand made by the original or any Successor in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy shall not constitute a release of the Property or any Successor in Interest of Borrower, nor shall it preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument shall not be deemed to be a co-signer. (a) Co-signing this Security Instrument only to mortgage, grant and convey the sums secured by this Security Instrument; and (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, further or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall assume all of Borrower's obligations and liabilities under this Security Instrument. Borrower shall not be released from Borrower's obligations and liabilities under this Security Instrument unless Lender agrees to such release in writing. Section 20) and benefit the Successors and Assigns of this Security Instrument.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees, for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower, and for the cost of any other fees the absence of express authority in this Security Instrument to charge a specific fee to Borrower.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the permitted limits; and (b) any such loan charge already collected from Borrower which exceeded permitted limits shall be refunded to Borrower. Lender shall not be required to refund any such amount if the loan charges were collected in accordance with the law in effect at the time the loan charges were collected.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address. If sent by other means, notice to any one Borrower shall constitute notice to all Borrowers unless Borrower has designated a substitute notice address. If the notice address shall be the Property Address, Lender shall be deemed to have given notice to all Borrowers. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address. If Lender specifies a substitute notice address, Lender shall promptly notify Borrower of the change of address.

There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated on the last page of this Security Instrument. Notices given by mail to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender.

000036263  
Form 3044 1/01

000036263  
Form 3044 1/01

000036263  
Form 3044 1/01

000036263  
Form 3044 1/01



**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

Lender includes any holder of the Note who is entitled to receive payments under the Note, and Lender invokes the power of sale. Lender or Trustee shall give notice of the time, place and terms for putting and selling of the note to Borrower in the manner prescribed by Applicable Law. Lender may notify a holder of the note at least 21 days prior to sale as provided by Applicable Law. Sale shall be made at the highest bid for the note stated in the notice of sale or not later than three hours after that time and between 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Lender to bid the property as highest bidder for cash in one or more parcels and in any order. Trustee determines. Lender or its designee may purchase the Property at any sale.

If the Property is sold pursuant to this Section 22, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession or other court proceeding.

**24. Substitute Trustee; Trustee Liability.** All rights, remedies and duties of Trustee under this Security Instrument may be exercised or performed by one or more trustees acting alone or together.

Lender, at its option and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by Lender in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee shall become vested with the title, rights, tenements, powers and duties conferred upon Trustee herein and by Applicable Law.

0000386263

*[Signature]*

Page 12 of 16

04999 - 5A7X 104999

0000386263

*[Signature]*

Page 12 of 16

0000386263

25. **Subrogation.** Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, here and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

27. Purchase Money; Ovelty of Partition; Renewal and Extension of Liens Against Homestead Property; Acknowledgment of Cash Advanced Against Non-Homestead Property. Check box as applicable:

 Owens of Partition.

☒ **X** Renewal and Extension of Liens Against Homestead Property.

☐ Acknowledgment of Cash Advanced Against Non-Homestead Property

28. Loan Not a Home Equity Loan. The Loan evidenced by the Note is not an extension of credit as defined by Section 50(a)(6) or Section 50(a)(7). Article XVI of the Texas Constitution, if the Property is used as Borrower's residence, then Borrower agrees that Borrower will receive no cash advance from the Loan evidenced by the Note and that any advances not necessary to purchase the Property, to refinance the Property, to complete construction, or to renew and extend a prior loan secured by the Property, shall be used for the purpose of paying the principal and interest on the Property.

0000386263

5/22/87

100


 McGraw-Hill

0000386263

5/22/87

100

0000386263

Property, will be used to reduce the balance evidenced by the Note or such Loan will be modified to evidence the correct loan balance, at Lender's option. Borrower agrees to execute any documentation necessary to comply with this Section 28.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witness:

\_\_\_\_\_  
NANCY JOHNSON (Seal)  
Borrower

\_\_\_\_\_  
SCOTT JOHNSON (Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

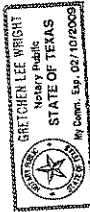
STATE OF TEXAS  
County of arrant

Before me, Gretchen L. Wright, on this day personally appeared  
NANCY JOHNSON AND SCOTT JOHNSON

known to me, or proved to me on the oath of \_\_\_\_\_, to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she/they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 12 day of MAY, 2006

(Seal)



My Commission Expires: \_\_\_\_\_

RIDER TO THE DEED OF TRUST  
RENEWAL AND EXTENSION EXHIBIT

This RENEWAL AND EXTENSION EXHIBIT is incorporated into and shall be deemed to amend and supplement the Deed of Trust ("Security Instrument") of even date herewith. Security Instrument is granted by the Borrower(s) ("Borrower") to secure Borrower's indebtedness ("Note") to Lender (sometimes referred to as the "Beneficiary" or "Holder of the Note"). The Note secured hereby is in renewal and extension but not in extinguishment of that indebtedness, whether one or more, described as follows:

DEED OF TRUST EXECUTED BY SCOTT E. JOHNSON AND NUNCIAN JOHNSON TO KEEPT FRAPPIER, TEXAS, DATED FEBRUARY 13, 2004, RECORDED IN/UNDER C08204054083 OF THE REAL PROPERTY RECORDS OF TARRANT COUNTY, TEXAS, SECURING MERRILL LYNCH CREDIT CORPORATION IN THE PAYMENT OF ONE NOTE IN THE PRINCIPAL SUM OF ONE MILLION FIFTY THOUSAND AND 00/100 (\$1,050,000.00). THE AND PAYABLE AND BEARING INTEREST AS THEREIN PROVIDED; AND ALL THE TERMS, CONDITIONS AND STIPULATIONS CONTAINED THEREIN, INCLUDING, BUT NOT LIMITED TO, ANY ADDITIONAL INDEBTEDNESS, IF ANY, SECURED BY SAID INSTRUMENT.

\*\*\*\*\*ANJ\*\*\*\*\*

DEED OF TRUST EXECUTED BY SCOTT E. JOHNSON AND NUNCIAN JOHNSON TO DEAN JACKSON, TEXAS, DATED FEBRUARY 13, 2004, RECORDED IN/UNDER C08204054084 OF THE REAL PROPERTY RECORDS OF TARRANT COUNTY, TEXAS, SECURING MERRILL LYNCH CREDIT CORPORATION IN THE PAYMENT OF ONE NOTE IN THE PRINCIPAL SUM OF TWO HUNDRED THOUSAND AND 00/100 (\$200,000.00). THE AND PAYABLE AND BEARING INTEREST AS THEREIN PROVIDED; AND ALL THE TERMS, CONDITIONS AND STIPULATIONS CONTAINED THEREIN, INCLUDING, BUT NOT LIMITED TO, ANY ADDITIONAL INDEBTEDNESS, IF ANY, SECURED BY SAID INSTRUMENT.

THE LENDER HEREBY SECURED IS EXPRESSLY SUBROGATED TO ALL RIGHTS, LIENS, EQUITIES AND REMEDIES SECURING THE ORIGINAL HOLDER(S) OF SAID DEBT(S) AND THE ORIGINAL LIEN(S) SECURING THE SAME ARE HEREBY RENEWED AND EXTENDED TO DATE OF MATURITY OF THE INDEBTEDNESS HEREBY SECURED IN RENEWAL AND EXTENSION THEREOF. IN THE EVENT ANY PORTION OF THE SUMS INTENDED TO BE SECURED BY THE SECURITY INSTRUMENT CANNOT BE LAWFULLY SECURED THEREBY, PAYMENTS IN REDUCTION OF SUCH SUMS SHALL BE APPLIED FIRST TO THOSE PORTIONS NOT SECURED THEREBY. BORROWER(S) ACKNOWLEDGES THAT THE LIEN(S) SECURING THE PRIOR NOTE IS VALID, THAT IT SUBSISTS AGAINST THE PROPERTY, AND THAT BY THIS INSTRUMENT IT IS RENEWED AND EXTENDED IN FULL FORCE UNTIL THE NOTE IS PAID, EVEN THOUGH THE PRIOR LIEN(S) IS RELEASED AND NOT ASSIGNED TO LENDER.

  
NUNCIAN JOHNSON (Seal)  
-Borrower

  
SCOTT JOHNSON (Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

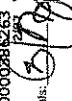
\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

0000386263  
Initials: 

Page 1 of 2  
VMP MORTGAGE FORMS - (800)521-7291

1034(TX) (9702)

Page 2 of 2

1034(TX) (9702)

0000386263

Return To:  
SIERRA PACIFIC MORTGAGE COMPANY, INC.

50 IRON POINT CIRCLE, SUITE 200  
FOLSOM, CA 95630

## ADJUSTABLE RATE RIDER (MTA Twelve Month Average Index - Payment Caps)

THIS ADJUSTABLE RATE RIDER is made this 12TH day of MAY, 2006, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to  
SIERRA PACIFIC MORTGAGE COMPANY, INC.

("Lender") of the same date and covering the property described in the Security Instrument and located at:

2401 DOVE ROAD, GRAPEVINE, TEXAS 76051  
[Property Address]

THIS NOTE CONTAINS PROVISIONS THAT WILL CHANGE THE INTEREST RATE AND THE MONTHLY PAYMENT. THERE MAY BE A LIMIT ON THE AMOUNT THAT THE MONTHLY PAYMENT CAN INCREASE OR DECREASE. THE PRINCIPAL AMOUNT TO REPAY COULD BE GREATER THAN THE AMOUNT ORIGINALLY BORROWED, BUT NOT MORE THAN THE MAXIMUM LIMIT STATED IN THE NOTE.

ADDITIONAL COVENANTS: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agrees as follows:

### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for changes in the interest rate and the monthly payments, as follows:

0000386263

PayOption MTA ARM Rider  
FE-S315 (0412)  
JFE315R (01/03)

Page 1 of 6

Initials: 

### 2. INTEREST

#### (A) Interest Rate

Interest will be charged on unpaid Principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 1.0000 %. The interest rate I will pay may change.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 7(B) of the Note.

#### (B) Interest Rate Change Dates

The interest rate I will pay may change on the 1ST day of JULY, 2006

and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date. The interest rate may change monthly, but the monthly payment is recalculated in accordance with Section 3.

#### (C) Index

Beginning with the first Interest Rate Change Date, my adjustable interest rate will be based on an Index. The "Index" is the "Twelve-Month Average" of the annual yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year as published by the Federal Reserve Board in the Federal Reserve Statistical Release entitled "Selected Interest Rates (H-13)" (the "Monthly Yields"). The Twelve Month Average is determined by adding together the Monthly Yields for the most recently available twelve months and dividing by 12. The most recent index figure available as of the date 15 days before each Interest Rate Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

#### (D) Calculation of Interest Rate Changes

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding FOUR 5 143/1000 percentage point(s) (4.1430 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Interest Rate Change Date. My interest rate will never be greater than 9.9500 %. Beginning with the first Interest Rate Change Date, my interest rate will never be lower than the Margin.

### 3. PAYMENTS

#### (A) Time and Place of Payments

I will make a payment every month.

I will make my monthly payments on the 1ST day of each month beginning on JULY 01, 2006. I will make these payments every month until I have paid all the Principal

JFE315R (01/03)

Page 2 of 6

0000386263

Initials: 

2. INTEREST

(A) Interest Rate

Interest will be charged on unpaid Principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 1.0000 %. The interest rate I will pay may change.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 7(B) of the Note.

(B) Interest Rate Change Dates

The interest rate I will pay may change on the 1ST day of JULY 2006

and on that day every month thereafter. Each date on which my interest rate could change is called an "Interest Rate Change Date." The new rate of interest will become effective on each Interest Rate Change Date. The interest rate may change monthly, but the monthly payment is recalculated in accordance with Section 3.

(C) Index

Beginning with the first Interest Rate Change Date, my adjustable interest rate will be based on an Index. The "Index" is the "Twelve-Month Average" of the annual yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year as published by the Federal Reserve Board in the Federal Reserve Statistical Release entitled "Selected Interest Rates (H.15)" (the "Monthly Yields"). The Twelve-Month Average is determined by adding together the Monthly Yields for the most recently available twelve months and dividing by 12. The most recent Index figure available as of the date 15 days before each Interest Rate Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(D) Calculation of Interest Rate Changes

Before each Interest Rate Change Date, the Note Holder will calculate my new interest rate by adding TWO & 95/100 percentage point(s) ( 2.9500 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Interest Rate Change Date. My interest will never be greater than 9.9500 %. Beginning with the first Interest Rate Change Date, my interest rate will never be lower than the Margin.

3. PAYMENTS

(A) Time and Place of Payments

I will make a payment every month.

I will make my monthly payments on the 1ST day of each month beginning on JULY 01, 2006 . I will make these payments every month until I have paid all the Principal

JFES314R (04/05)

Page 2 of 6

0000386263

Initials:



and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on JUNE 01, 2036 , I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at

950 IRON POINT ROAD, SUITE 240, FOLSOM, CA 95630 or at a different place if required by the Note Holder.

(B) Amount of My Initial Monthly Payments

Each of my initial monthly payments until the first Payment Change Date will be in the amount of U.S. \$ 4,003.13 unless adjusted under Section 3 (F).

(C) Payment Change Dates

My monthly payment may change as required by Section 3(D) below beginning on the 1ST day of JULY 2007 , and on that day every 12th month thereafter. Each of these dates is called a "Payment Change Date." My monthly payment also will change at any time Section 3(F) or 3(G) below requires me to pay a different monthly payment. The "Minimum Payment" is the minimum amount Note Holder will accept for my monthly payment which is determined at the last Payment Change Date or as provided in Section 3(F) or 3(G) below. If the Minimum Payment is not sufficient to cover the amount of the interest due then negative amortization will occur.

I will pay the amount of my new Minimum Payment each month beginning on each Payment Change Date or as provided in Section 3(F) or 3(G) below.

(D) Calculation of Monthly Payment Changes


At least 30 days before each Payment Change Date, the Note Holder will calculate the amount of the monthly payment that would be sufficient to repay the unpaid Principal that I am expected to owe at the Payment Change Date in full on the maturity date in substantially equal payments at the interest rate effective during the month preceding the Payment Change Date. The result of this calculation is called the "Full Payment." Unless Section 3(F) or 3(G) apply, the amount of my new monthly payment effective on a Payment Change Date, will not increase by more than 7.5000 % of my prior monthly payment. This 7.5000 % limitation is called the "Payment Cap." This Payment Cap applies only to the Principal and interest payment and does not apply to any escrow payments Lender may require under the Security Instrument. The Note Holder will apply the Payment Cap by taking the amount of my Minimum Payment due the month preceding the Payment Change Date and multiplying it by the number 1.075. The result of this calculation is called the "Limited Payment." Unless Section 3(F) or 3(G) below requires me to pay a different amount, my new Minimum Payment will be the lesser of the Limited Payment and the Full Payment. I also have the option to pay the Full Payment for my monthly payment.

JFES314R (04/05)

Page 3 of 6

0000386263

Initials:



**(E) Additions to My Unpaid Principal**

Since my monthly payment amount changes less frequently than the interest rate, and since the monthly payment is subject to the payment limitations described in Section 3 (D), my Minimum Payment could be less than or greater than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid Principal I owe at the monthly payment date in full on the Maturity Date in substantially equal payments. For each month that my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid Principal, and interest will accrue on the amount of this difference at the interest rate required by Section 2. For each month that the monthly payment is greater than the interest portion, the Note Holder will apply the payment as provided in Section 3 (A).

**(F) Limit on My Unpaid Principal; Increased Monthly Payment**

My unpaid Principal can never exceed the Maximum Limit equal to **ONE HUNDRED FIFTY-THREE** percent ( **115 %** ) of the Principal amount I originally borrowed. My unpaid Principal could exceed that Maximum Limit due to Minimum Payments and interest rate increases. In that event, on the date that my paying my monthly payment would cause me to exceed that limit, I will instead pay a new monthly payment. This means that my monthly payment may change more frequently than annually and such payment changes will not be limited by the **7.5000 %** Payment Cap. The new Minimum Payment will be in an amount that would be sufficient to repay my then unpaid Principal in full on the Maturity Date in substantially equal payments at the current interest rate.

**(G) Required Full Payment**

On the fifth Payment Change Date and on each succeeding fifth Payment Change Date thereafter, I will begin paying the Full Payment as my Minimum Payment until my monthly payment changes again. I also will begin paying the Full Payment as my Minimum Payment on the final Payment Change Date.

**(H) Payment Options**

After the first Interest Rate Change Date, Lender may provide me with up to three (3) additional payment options that are greater than the Minimum Payment, which are called "Payment Options." I may be given the following Payment Options:

- (i) **Interest Only Payment:** the amount that would pay the interest portion of the monthly payment at the current interest rate. The Principal balance will not be decreased by this Payment Option and it is only available if the interest portion exceeds the Minimum Payment.
- (ii) **Fully Amortized Payment:** the amount necessary to pay the loan off (Principal and Interest) at the Maturity Date in substantially equal payments.
- (iii) **15 Year Amortized Payment:** the amount necessary to pay the loan off (Principal and Interest) within a fifteen (15) year term from the first payment due date in substantially equal payments. This monthly payment amount is calculated on the assumption that the current rate will remain in effect for the remaining term.

JFES31SR (01/05)

Page 4 of 6

0000386263

Initials: 

These Payment Options are only applicable if they are greater than the Minimum Payment.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

Section 18 of the Security Instrument entitled "Transfer of the Property or a Beneficial Interest in Borrower" is amended to read as follows:

**Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

JFES31SR (01/05)

Page 5 of 6

0000386263

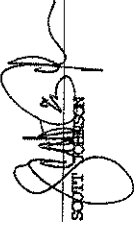
Initials: 



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

  
NANCY JOHNSON

(Seal)  
-Borrower

  
SCOTT JOHNSON

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

JPE531ER (01/05)

Page 6 of 6

0000386263

## PREPAYMENT RIDER (Multistate - Hard)

### NOTICE TO BORROWER

Do not sign this loan agreement before you read it.  
The loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

THIS PREPAYMENT RIDER ("Rider") is made this 12TH day of MAY, 2006, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note to **SIERRA PACIFIC MORTGAGE COMPANY, INC.**

("Lender") of the same date and covering the Property described in the Security Instrument and located at:

**2401 DOVE ROAD, GRAPEVINE, TEXAS 76051**

(Property Address)

**ADDITIONAL COVENANTS:** In addition to the covenants and agreements in the Security Instrument, Borrower and Lender further covenant and agree as follows:

#### A. PREPAYMENT CHARGE

The Section of the Note entitled

**BORROWER'S RIGHT TO PREPAY**

is amended to read as follows:

#### PREPAYMENT CHARGE

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment". A Prepayment of all of the unpaid principal is known as a "full prepayment". A Prepayment of only part of the unpaid principal is known as a "partial prepayment". When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

Except as provided below, I may make a full prepayment or a partial prepayment at any time without paying a Prepayment charge. If within a 36 **MONTH** period of the date of this Note ("Prepayment Period"), I make a full or partial Prepayment(s) of more than twenty percent (20%) of the original principal amount in a twelve month period, I will pay a prepayment charge. The prepayment charge will be in an amount equal to the payment of six (6) months' advance interest (at the rate in effect at the time the Prepayment

Multistate/Hard/6 mos. interest if > 20% of loan amount  
JPREFPAYR (10/05)

Page 1 of 3

0000386263

Initials: 

occurs) on any Prepayment that, when added to all other amounts prepaid during the twelve month period immediately preceding the date of the Prepayment exceeds twenty percent (20%) of the original principal amount of the Note.

The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

If my loan has an "interest-only period", my partial Prepayment during this period will reduce the amount of my monthly payments for the remainder of the "Interest only period".

If my loan has an adjustable rate feature, my partial Prepayment may reduce the amount of my monthly payments after the first Change Date following a partial Prepayment. However, any reduction due to a partial Prepayment may be offset by an interest rate increase.

The Note Holder's failure to collect a Prepayment charge at the time a Prepayment is received shall not be deemed a waiver of such charge. Any Prepayment charge not collected at the time the Prepayment is received shall be due and payable on demand.

#### B. INVALIDITY

If a law, which applies to this loan and which sets a maximum Prepayment charge or prohibits Prepayment charges, is finally interpreted so that the Prepayment charge to be collected in connection with this loan exceeds the permitted limits, then (i) any such Prepayment charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, or (ii) if the Prepayment charge is prohibited, no Prepayment charge will be assessed or collected.

#### C. CONTROLLING PROVISIONS

To the extent that the provisions of this Rider are inconsistent with the provisions of the Security Instrument and/or the Note, the provisions of this Rider shall prevail over and shall supersede any such inconsistent provisions of the Security Instrument and/or the Note. All other provisions of the Security Instrument and/or the Note shall be unchanged and remain in full force and effect.

JPREPAYER (10/05)

Page 2 of 3

0000386263

Initials: 

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Prepayment Rider.

  
NANCY JOHNSON

(Seal)  
-Borrower

  
SCOTT JOHNSON

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

JPREPAYER (10/05)

Return To:

SIERRA PACIFIC MORTGAGE COMPANY, INC.

50 IRON POINT CIRCLE, SUITE 200  
FOLSOM, CA 95630

Page 3 of 3

0000386263

SIERRA PACIFIC MTG CO INC  
50 IRON POINT CIRCLE 200

FOLSOM CA 95630

Submitter: COMMONWEALTH LAND (FKA GUARDIAN) -ZCOMM-



SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**

**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 05/19/2006 12:26 PM

Instrument #: D206151786

DT 28 PGS

\$120.00

By:



D206151786

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

10716801



SIERRA PACIFIC MORTGAGE  
50 IRON POINT CIR #100

FOLSOM CA 95630

Submitter: SIERRA PACIFIC MORTGAGE

SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**

**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 08/17/2006 01:26 PM

Instrument #: D206256013

DT 31 PGS

\$132.00

By:



D206256013

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

386263  
Johnston  
PFC-Bulk  
4/4/15/2097